



DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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November 1, 2002

TO:

Minerals File

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FROM:

Paul Baker, Senior Reclamation Biologist

RE:

Site Inspection, U. S. Energy Corporation, Velvet Mine, M/037/040, San Juan County,

Utah

Date of Inspection:

August 15, 2002

Time of Inspection:

about 4:30-5:30 p.m.

Conditions:

Clear, 80's

Participants:

Doug Jensen and Paul Baker, DOGM

Purpose of Inspection:

The operator has indicated reclamation of this site may occur soon, and we decided to go since we had some unexpected time and were in the area.

Getting to the site:

We got to the site from the east across Three Step Hill, but this is a very rough road. The easiest way to get there is to turn east from U. S. Highway 163 about 12 miles south of La Sal Junction. Keep going east on this road past the intersection with the road that goes northeast toward Big Indian Valley. In Sect. 4, T. 31 S., R. 25 E., about six miles past the turnoff, there is a road that heads north, across Dry Wash, then north and east toward the main surface facilities. To get to the pond, water line, headframe, and ventilation shafts, keep heading east for about a mile past the turnoff to the mine. There is a road that goes north across the wash toward the pond, but we were not able to drive all the way to the pond. Check the map for the locations of the water discharge and other facilities in this area.

Observations:

Not being familiar with the site, we spent most of our time looking at the pond (Photo 1); water line; some of the ventilation shafts, one of which is shown in Photo 2; and headframe (Photo 3) up the canyon from the main facilities. The pond and a metal building are at the bottom of a small canyon with the water line extending up the canyon. The headframe and shafts we saw are to the east of the pond.



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The main facilities area has a waste pile, a portal (Photo 4), some metal buildings, and power lines (Photo 5). The gate in front of the portal is not secured. The transformers in Photo 5 were leaning, and the support structure is in need of repair.

There is a breach in the berm at the edge of the waste pile, and there has been quite a lot of erosion into the wash immediately adjacent to the pile (Photo 6).

Conclusions and Recommendations:

The support under the transformers needs to be repaired, and the gate over the portal needs to be secured to prevent unauthorized entry. The berm at the edge of the waste rock pile should be repaired to prevent water from the pad from eroding the outslope.

On August 20, 2002, Ted McDougall and Jeff Brown of the Bureau of Land Management visited the site and noted some additional maintenance items that need to be addressed. Mainly, the site needs to be cleaned up with oils and other fluids removed.

Mr. Jensen and I looked at the site mostly from a view toward reclamation. In the upper area, there is a very limited amount of reclamation that will need to be done. Basically, it involves removing the headframe, regrading the pond, taking out the water and power lines (assuming the power lines do not belong to Utah Power and Light), ripping and seeding the roads, and reclaiming the vent shafts.

At the main facilities area, the waste pile will need to be graded to reduce the slope and decrease erosion into the channel. Because of the location of the pile in relation to the channel, it will not be possible to push the pile out, but there is plenty of room on top of the pile. Some of the waste will probably need to be brought to the top with a trackhoe, then the pile could be graded to create a more gentle slope.

jb

cc: Dan Arima, U. S. Energy
Ted McDougall, Monticello BLM
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ATTACHMENT

Photographs M/037/040 Velvet Mine



Photo 1. Pond at the bottom of the water line.

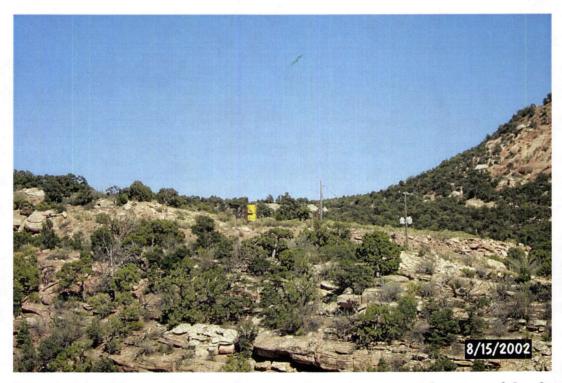


Photo 2. One of the ventilation shafts is the yellow structure near the center of the photo.

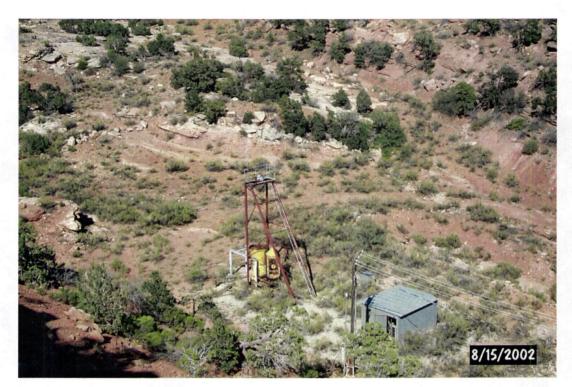


Photo 3. Headframe and hoist house.

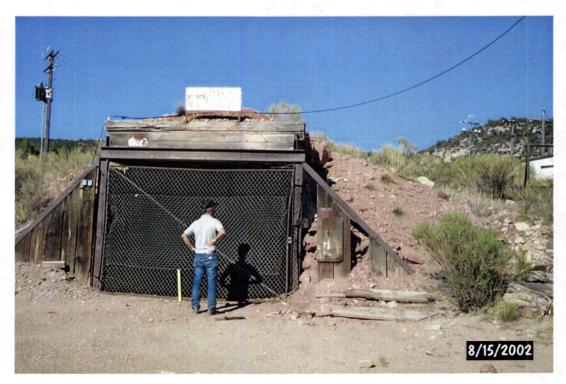


Photo 4. Portal in the main facilities area.

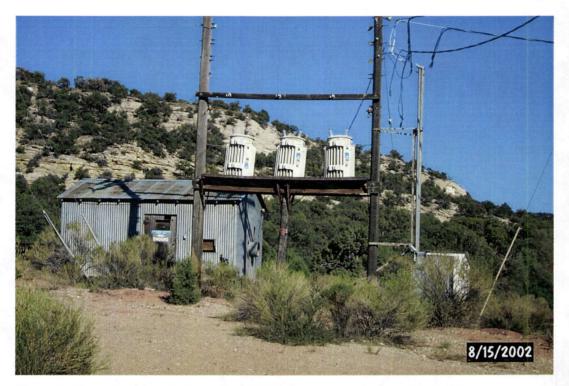


Photo 5. Transformers at the main facilities area.



Photo 6. Erosion into the channel next to the waste pile.